

COLLEGE STUDENT AID COMMISSION[283]

Notice of Intended Action

Proposing rule making related to approval of postsecondary schools and providing an opportunity for public comment

The College Student Aid Commission hereby proposes to amend Chapter 21, “Approval of Postsecondary Schools,” Iowa Administrative Code.

Legal Authority for Rule Making

This rule making is proposed under the authority provided in Iowa Code sections 261.3 and 261B.3.

State or Federal Law Implemented

This rule making implements, in whole or in part, Iowa Code chapters 261 and 261B and 2021 Iowa Acts, House File 644.

Purpose and Summary

The proposed rule making implements amendments enacted by 2021 Iowa Acts, House File 644, sections 1 and 2. House File 644 authorizes the Commission to utilize funding in the Postsecondary Registration Fund to assist Iowans who are negatively impacted by a precipitous school closure. The proposed rule making provides a definition of “school closure,” defines the types of assistance the Commission can provide in the event of a school closure, clarifies student eligibility for assistance, and establishes the claim, approval, and awarding processes for eligible students. In addition, the proposed rule making makes technical amendments to ensure the authorization duties associated to exempt schools are clarified in rule.

Fiscal Impact

This rule making has no fiscal impact to the State of Iowa.

Jobs Impact

After analysis and review of this rule making, no impact on jobs has been found.

Waivers

Any person who believes that the application of the discretionary provisions of this rule making would result in hardship or injustice to that person may petition the Commission for a waiver of the discretionary provisions, if any, pursuant to 283—Chapter 7.

Public Comment

Any interested person may submit written or oral comments concerning this proposed rule making. Written or oral comments in response to this rule making must be received by the Commission no later than 4:30 p.m. on August 31, 2021. Comments should be directed to:

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Email: mark.wiederspan@iowa.gov or administrative rules website at rules.iowa.gov

Public Hearing

No public hearing is scheduled at this time. As provided in Iowa Code section 17A.4(1)“b,” an oral presentation regarding this rule making may be demanded by 25 interested persons, a governmental subdivision, the Administrative Rules Review Committee, an agency, or an association having 25 or more members.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rule making by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rule making at its [regular monthly meeting](#) or at a special meeting. The Committee’s meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

The following rule-making actions are proposed:

ITEM 1. Amend rule 283—21.1(261B,261G) as follows:

283—21.1(261B,261G) Postsecondary registration, exemption from registration, and participation in the commission-approved reciprocity agreement. The college student aid commission examines college and university applications for registration to operate in Iowa or authorization to operate under an exemption from registration and monitors schools approved by the commission to operate in the state. The commission also examines Iowa college and university applications for participation in an interstate reciprocity agreement under which the commission is an approved participant.

ITEM 2. Amend rule **283—21.2(261B,261G)**, definition of “School,” as follows:

“*School*” means a postsecondary educational institution that applies to register or is currently registered to offer all or a portion of a program in Iowa, or applies to operate or is operating under an approved exemption from registration, under Iowa Code chapter 261B. “School” also means a postsecondary educational institution that is seeking to participate in the commission’s approved interstate reciprocity agreement under Iowa Code chapter 261G or that is a “participating resident institution” as defined in Iowa Code section 261G.2. A postsecondary educational institution that maintains a physical location outside of the state of Iowa and that must register under Iowa Code chapter 261B to operate at a physical location in this state is not a school that is eligible to participate in the commission’s approved interstate reciprocity agreement under Iowa Code chapter 261G.

ITEM 3. Adopt the following **new** definition of “School closure” in rule **283—21.2(261B,261G)**:

“*School closure*” means a precipitous or abrupt closure of a school during a semester, school period, or term of enrollment that leaves students without an option to complete the courses or program they started and with no ability to receive credit.

ITEM 4. Adopt the following **new** rule 283—21.16(261B,261G):

283—21.16(261B,261G) School closures. In the event of a school closure, the commission may use unobligated funds from the postsecondary registration fund, pursuant to Iowa Code section 261B.8, to assist impacted eligible students.

21.16(1) *Student eligibility.* The provisions of this rule apply to Iowa resident students who were enrolled in a postsecondary educational program that leads to a recognized educational credential or were on an approved leave of absence when the school abruptly closed.

21.16(2) *Assistance to impacted eligible students.* The commission may provide the following forms of assistance to eligible students impacted by a school closure:

- a.* Procure, evaluate, and store records needed to establish the validity of claims against a school for failure to faithfully perform all contracts and agreements.
- b.* Pay institutional charges on behalf of Iowans who enrolled at the school.
- c.* Support an arrangement in which the school provides its current students with the opportunity to complete the students' courses of study after the school closes, including any activities designed to facilitate the transition of such students to another postsecondary educational institution.
- d.* Pay private educational loan debt incurred by Iowans for attendance at the school during the enrollment term that the college closes.
- e.* Reimburse Iowans who enrolled at the school for other financial loss, as determined by the commission.

21.16(3) *Claims process.* An eligible student making a claim for reimbursement under paragraph 21.16(3) "*b*," "*d*," or "*e*" must contact the commission for a claim form and provide the following supporting information and documentation:

- a.* Proof of enrollment at the time of school closing.
- b.* Proof of attendance at the time of school closing.
- c.* Proof of Iowa residency at the time of school closing.
- d.* Proof of payment of private educational loan debt, tuition, fees, or other financial loss as determined by the commission.
- e.* Any other documentation to support a student's claim of enrollment, attendance, or payment.

21.16(4) *Approval process.* The commission will review a claim and the supporting information and documentation submitted by each eligible student seeking reimbursement under this rule. The commission may delay approval of claims for a period not to exceed one year to ensure all claims related to a school closure are received.

21.16(5) *Awarding of approved claims.*

- a.* All claims for reimbursement shall be submitted and approved within one year of the date of the school closure.
- b.* Claims for reimbursement will first be made against the school's surety bond.
- c.* If the school's surety bond is insufficient to provide reimbursement to all approved claims, the postsecondary registration fund, pursuant to Iowa Code section 261B.8, may be used to reimburse any remaining approved claims.

In no case will the total approved claims related to a single school closure exceed one-half of the unobligated balance in the postsecondary registration fund pursuant to Iowa Code section 261B.8. If the postsecondary registration fund is insufficient to cover the full amount of all approved claims, the commission shall develop a method of allocating the funds.

21.16(6) *Appeal process.* The procedures set forth in 283—Chapter 4 will be followed in the event of an appeal to a decision by the commission.